

Message Text

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ACTION NEA-10

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E.O. 11652: N/A
TAGS: BEXP, BG, US
SUBJECT: FOUR-D FIBER COMPANY AND A POSSIBLE NEW BUSINESS DISPUTE

REFS: A. STATE 127583, B. STATE 106879

1. WE BELIEVE THAT DENNIS GATES AND J.D. THOMPSON OF FOUR-D FIBER CO

.
LEFT DACCA FOR THE UNITED STATES ON JUNE 7. (FOR BACK-
GROUND - SEE REFS.) THEY HAVE BEEN IN DACCA SINCE MAY 22,
1977, ATTEMPTING TO LICENSE TO THE BDG OR TO LOCAL PRIVATE
BUSINESSMEN THEIR PATENTED METHOD OF COMBINING JUTE WITH A
PHENOLIC RESIN TO PRODUCE ITEMS SUCH AS RAILWAY TIES, TELE-
PHONE POLES, INDUSTRIAL PALLETS, AND PIPING. THEY HAVE
REACHED THE CONCLUSION THAT EITHER THE BDG, THE BANGLADESH
JUTE MILLS CORPORATION (BJMC) OR INDIVIDUALS WITHIN THESE
ORGANIZATIONS INTEND TO STEAL THEIR NEWLY-PATENTED PROCESS.

2. ON MARCH 9 THROUGH 12, 1977, GATES AND THOMPSON VISITED
THE BANGLADESH EMBASSY IN WASHINGTON IN THE COMPANY OF
FRED UPTON, WHO IS A MEMBER OF CONGRESSMAN STOCKMAN OF
MICHIGAN'S STAFF. AT THOSE MEETINGS THE FOUR-D
OFFICIALS DISCUSSED THEIR PATENTED METHOD WITH THE
EMBASSY'S FIRST SECRETARY NURUL ISLAM. ISLAM ASKED
FOR PRODUCT SAMPLES FOR EXAMINATION BY BDG OFFICIALS.

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GATES AND THOMPSON REPORT THAT THEY RELUCTANTLY GAVE
ISLAM FOUR SAMPLES UNDER THE CONDITION THAT THE SAMPLES
WOULD NOT BE ALTERED OR DESTROYED AND THAT THEY WOULD
BE RETURNED UPON DEMAND.

3. GATES AND THOMPSON AGAIN VISITED THE BANGLADESH
EMBASSY ON MAY 6 WHERE THEY MET WITH AMBASSADOR SIDDIQI,

ECONOMIC COUNSELOR A.R.KARIM, AND NURUL ISLAM. KARIM TOLD GATES AND THOMPSON THAT HE HAD BEEN TO DACCA AND WAS INFORMED THERE THAT THE SAMPLES WERE BEING EXAMINED. HE SAID THAT BDG OFFICIALS WERE IMPRESSED BY WHAT THEY HAD SEEN.

4. GATES AND THOMPSON ARRIVED IN DACCA ON MAY 22 SEEKING BANGLADESHI SOURCES OF FINANCING THEIR DISCOVERY'S DEVELOPMENT. PRIOR TO THEIR CONTACTING LOCAL BDG OFFICIALS, THE FOUR-D OFFICERS WERE APPROACHED BY THE ISLAM GROUP OF COMPANIES, A PRIVATE FIRM. ON MAY 23 GATES AND THOMPSON VISITED THE ECONOMIC OFFICER AND ON MAY 24 THE AMERICAN AMBASSADOR. AFTER THESE MEETINGS, THEY WERE PUT INTO CONTACT WITH OTHER LOCAL BUSINESSMEN AND WITH OFFICIALS OF BJMC INCLUDING BJMC'S CHAIRMAN SALAHUDDIN AHMED. GATES AND THOMPSON SPENT THE NEXT WEEK VISITING VARIOUS OFFICES AND INDIVIDUALS IN DACCA. THESE VISITS CULMINATED WITH A MAY 28 QUOTE EMERGENCY MEETING UNQUOTE TO CONSIDER THE FOUR-D PROPOSAL INVOLVING AIR VICE MARSHAL MOHMOOD; PRESIDENTIAL ADVISOR (JUTE) KAZI ANWARUL HAQUE; BJMC CHAIRMAN SALAHUDDIN AHMED AND (APPARENTLY) PRESIDENTIAL ADVISOR (PLANNING) M.N. HUDA. NO DECISIONS WERE TAKEN. AT TIMES THESE OFFICIALS TALKED ABOUT A POSSIBLE MEETING BETWEEN GATES AND THOMPSON AND PRESIDENT ZIA. THIS MEETING, HOWEVER, NEVER OCCURRED.

5. BJMC AND BDG OFFICIALS THROUGHOUT THE ABOVE PERIOD DENIED KNOWING ANYTHING ABOUT GATES' AND THOMPSON'S FOUR SAMPLES. GATES AND THOMPSON BELIEVE THAT THEIR SAMPLES, COUPLED WITH THE KNOWLEDGE IMPARTED IN THEIR DACCA DIS-

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CUSSIONS, WOULD ENABLE OTHER PARTIES TO PRODUCE THIS PRODUCT WITHOUT MAKING ROYALTY PAYMENTS TO FOUR-D. THIS VIEW WAS ENHANCED IN THEIR MINDS BY A MAY 31 EDITORIAL IN THE BANGLADESH TIMES. GATES AND THOMPSON BELIEVE THE EDITORIAL ALSO SAID QUOTE JUTE PLASTIC WHICH HAS BEEN RECENTLY PRODUCED IN THE COUNTRY MERITS SPECIAL ATTENTION UNQUOTE. (THIS COULD BE A REFERENCE TO PRODUCTION OF JUTE CONSTRUCTION MATERIAL UNDER CARE AUSPICES.)

6. ON JUNE 1 THE EMBASSY FORWARDED A REQUEST BY GATES AND THOMPSON TO CONGRESSMAN STOCKMAN'S OFFICE FOR AN INQUIRY AT THE BANGLADESH EMBASSY IN WASHINGTON AS TO THE FATE OF THE SAMPLES. THE REPLY (SEE REFTEL A) WAS THAT THE SAMPLES HAD BEEN FORWARDED TO SALAHUDDIN AHMED. (NOTE: THIS DOES NOT NECESSARILY MEAN THE GOODS WERE ACTUALLY RECEIVED BY AHMEN'S OFFICE.)

7. ON JUNE 3 ECONOFF JOINED GATES AND THOMPSON IN A VISIT TO AMINUL ISLAM OF THE AMERICAS DESK, MINISTRY

OF FOREIGN AFFAIRS. WITH ISLAM'S ASSISTANCE THE MFA'S MAILROOM STAFF WAS INTERVIEWED AND AN INVENTORY OF ITEMS INCLUDED IN THE MFA'S POUCH FROM WASHINGTON WAS EXAMINED BY ISLAM. NOTHING COULD BE DETERMINED FROM THIS SEARCH.

8. WITHIN A FEW HOURS OF THE VISIT TO AMINUL ISLAM, THE BJMC OFFICIALS DISCOVERED THAT THEY HAD ONE OF THE FOUR SAMPLES ATTACHED TO A MAY 25 MESSAGE FROM THE BDG EMBASSY IN WASHINGTON. BJMC DECLINED TO RETURN THE SAMPLE TO GATES AND THOMPSON WITHOUT THEIR EMBASSY'S APPROVAL.

9. COMMENT. FROM THE ABOVE WE BELIEVE IT LIKELY THAT THE SAMPLES WERE IN BANGLADESH PRIOR TO MAY 25. WHILE IT IS AT LEAST POSSIBLE THAT EITHER LOCAL BUSINESSMEN, SENIOR OFFICIALS OF BJMC AND THE BDG SEEK TO COOPPT FOUR-D'S TECHNOLOGY, THE MOST LIKELY POSSIBILITY IS SIMPLY THAT LIMITED OFFICIAL USE

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THE BDG HAD MISLAID THE SAMPLES. END COMMENT.

10. WE ANTICIPATE THAT GATES AND THOMPSON WILL BE IN CONTACT WITH NEA/PAB, COMMERCE, AND COMGRESSMAN STOCKMAN OVER THE NEXT FEW WEEKS CONCERNING THIS ISSUE.

11. ACTION REQUESTED. IT WOULD FACILITATE FUTURE INQUIRIES IN DACCA IF THE BANGLADESH EMBASSY IN WASHINGTON WERE ASKED ON WHAT DAY THE SAMPLES WERE POUCHED TO BJMC. PLEASE ADVISE.
MASTERS

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